

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR\_RCP\_pt01a
- 05hrAC-EdR\_RCP\_pt01b
- 05hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤ \*\*

➤ Clearinghouse Rules ... CRule

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➤ Committee Hearings ... CH

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➤ Committee Reports ... CR

➤ \*\*

➤ Executive Sessions ... ES

➤ \*\*

➤ Hearing Records ... HR

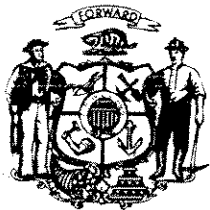
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➤ Miscellaneous ... Misc

➤ 97hrJC-Fi\_Misc\_pt210

➤ Record of Comm. Proceedings ... RCP

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STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

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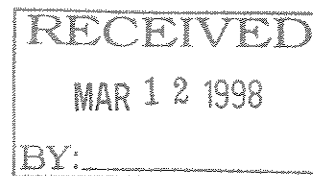
**Date:** March 12, 1998

**To:** The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance

The Honorable John Gard, Co-Chair  
Joint Committee on Finance

**From:** Mark D. Bugher, Secretary  
Department of Administration

**Subject:** S. 16.515/16.505(2) Requests



Enclosed are requests that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

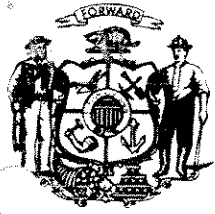
<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1997-98</u>		<u>1998-99</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DOC 20.410(1)(km)	Prison industries	*\$1,791,600	3.00	\$181,800	3.00
DOC 20.410(3)(ho)	Juvenile residential aftercare	*\$2,461,500		*\$4,084,300	
DOJ 20.455(2)(hn)	County-tribal programs, local assistance	*\$101,200		*\$101,200	

\*One-time expenditure authority

As provided in s. 16.515, the requests will be approved on April 2, 1998, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Jay Huemmer at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
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TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

**Date:** March 2, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** *Roger Fetterly*  
Roger Fetterly, Budget Analyst  
Division of Executive Budget and Finance

**Subject:** Request under s. 16.505/16.515 from the Department of Corrections for  
Badger State Industries

**REQUEST:**

The Department of Corrections (DOC) requests a one-time increase in expenditure authority of \$1,791,600 PRS and 3.0 FTE PRS positions in FY98 and a \$181,800 PRS and 3.0 FTE PRS positions increase to the base in FY99 in the Prison Industries appropriation [s. 20. 410(1)(km)] for salaries and fringe benefits, rent, inmate wages and supplies and services.

**REVENUE SOURCES FOR APPROPRIATION:**

The sources of revenue for appropriation s. 20.410 (1)(km) are receipts from products and services provided to customers of Badger State Industries (BSI).

**BACKGROUND:**

BSI is an enterprise activity operating 13 prison industries providing employment for approximately 700 inmates at 9 correctional institutions and centers. Prison industries are an integral part of the correctional system providing laundry, textiles, printing, and wood and metal furniture for new and existing correctional institutions. BSI also provides similar products and services to other governmental agencies and limited products and services for non-profit agencies.

**ANALYSIS:**

DOC is requesting the following increases in positions and expenditure authority to address an increase in BSI business activity:

	FY98	FY98	FY99	FY99
	<u>\$ PRS</u>	<u>FTE</u>	<u>\$ PRS</u>	<u>FTE</u>
Industries Specialist 1—Oakhill CI upholstery shop		1.0	33,500	1.0
Industries Specialist 2—WCI furniture & metal Shop		1.0	36,300	1.0
CADD Operator—Senior, Systems furniture design		1.0	45,900	1.0
Rent	64,200		66,100	
LTE salaries <sup>1</sup>	140,200			
Inmate salaries <sup>1</sup>	12,300			
Supplies and services <sup>1</sup>	1,574,900			
Total	\$1,791,600	3.0	\$181,800	3.0

Note 1: One-time funding request for FY98 only

**Industries Specialist 1—Oakhill Correctional Institution (CI) upholstery shop:**

DOC requests this position to provide additional inmate supervision and delivery of finished products. This industry currently employs an industries supervisor and an industries specialist to supervise inmate workers and deliver finished products. Currently staff works 6 days a week and average 10 hours of overtime per week. The shop has introduced additional product lines and increased production which justifies the need for a 2<sup>nd</sup> shift to fill customer orders on a timely basis. The additional position would provide supervision on both the 1<sup>st</sup> and 2<sup>nd</sup> shift. BSI has sufficient funding in FY98 to cover the additional salary, but requires an increase of \$33,500 in FY99 for salary and fringe benefits.

**Industries Specialist 2—Waupun CI systems furniture shop and metal shop:**

DOC requests this position to supervise and train inmates working in the systems furniture and metal shop. Supervision has been provided for the last several years by full-time LTE's. Revised revenue estimates in these shops are projected to increase from \$5.3 million to \$8.2 million in FY98 resulting in increased overtime for staff and inmates. Providing a permanent position for this purpose will eliminate the need for constant retraining of an LTE Industries Specialist and improve the efficiency of the shops. BSI has sufficient funding in FY98 to cover the additional salary, but requires an increase of \$36,300 in FY99 for salary and fringe benefits.

**CADD Operator, Senior—Systems furniture design:** DOC requests this position to provide layout and design support functions to meet the continuing growth of the systems furniture shop. This function is currently performed by a 1.0 FTE CADD operator and for the last 2 years by an additional full-time LTE CADD operator. Providing a permanent position for this purpose will eliminate the need for constant retraining of a CADD operator and improve the efficiency of layout and design functions. BSI has sufficient funding in FY98 to cover the additional salary, but requires an increase of \$45,100 in FY99 for salary and fringe benefits.

**Rent:** BSI has base expenditure authority for rent of \$179,100 and projects rental expenditures of \$243,300 in FY98. Due to the growth in several industries, BSI has incurred additional cost to rent space for storage of raw material and finished products. DOC requests and increase in the FY98 expenditure authority of \$64,200, and an FY99 increase in expenditure authority of \$66,100 to fully fund rental costs.

**LTE Salaries:** BSI has base expenditure authority of \$8,100 for LTE's and expects to incur LTE costs of \$226,300 in FY98 due to increasing business activity. BSI is able to absorb \$78,000 of the LTE cost from reallocation of permanent salary and fringe benefits. BSI requires a one-time increase in expenditure authority of \$140,200 in FY98 to meet current customer demands.

**Inmate Salaries:** The increase in production at the Oakhill CI will provide jobs for an additional 10-12 inmates and similarly the increase at the Waupun CI will provide an additional 5 jobs. BSI has base expenditure authority of \$852,400 for inmate wages and is expected to incur costs of \$864,700 in FY98. BSI requires a one-time increase in expenditure authority of \$12,300 in FY98 to cover the additional inmate wages.

**Supplies and Services:** BSI has base expenditure authority for supplies and services of \$11,478,241 and projects supplies and services expenditures of \$13,053,141 in FY98. DOC requests an increase of \$1,574,900, for increases in raw materials needed for increased business activity in the Waupun CI metal furniture, systems furniture, and sign shops, the Fox Lake CI wood furniture shop, and the Oakhill CI upholstery shop.

**Summary of financial condition of appropriation 20.410(1)(km).** The following is a fund condition statement for appropriation 20.410(1)(km) to show the effect of the request on the appropriation as adjusted for the additional expenditure authority:

	<u>FY98</u>	<u>FY99</u>
<b>Opening balance</b> (Restated to reflect 1997 Act 27)	-\$216,500	\$472,300
<b>Revenue:</b>		
Year-to-date actual (1/31/98)	9,588,500	
Revenue projected to June 30	<u>10,211,500</u>	
Total revenue projected	19,800,000	17,310,000
Revenue allocated for debt service	<u>-111,200</u>	<u>-18,500</u>
Total revenue available for BSI operations	19,688,800	17,291,500
<b>Expenditures:</b>		
Year-to-date actual (1/31/98)	11,389,800	
Expenditures projected to June 30	5,818,600	16,500,100
<b>This 16.515 supplemental recommendation</b>	<u>1,791,600</u>	<u>181,800</u>
Total expenditures projected	19,000,000	16,681,900
<b>Closing balance</b>	\$472,300	1,082,000
<b>Expenditure authority:</b>		
Total expenditures projected	19,000,000	16,681,900
Less:		
WISMART current budget authority	17,208,400	16,500,100
<b>Recommended expenditure authority increase</b>	<b>\$1,791,600</b>	<b>181,800</b>

Mark D. Bugher, Secretary  
March 3, 1998  
Page 4

This analysis shows that the financial condition of BSI will improve from a \$216,500 debt to the general fund to a \$1,082,000 positive balance or an increase of \$1,298,500 for BSI in the 1997-99 biennium.

#### **SUMMARY OF THE REQUEST**

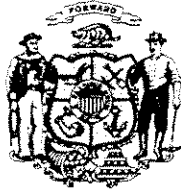
DOC is requesting an increase in program revenue expenditure authority and 3.0 PRS positions to address a significant increase in demand for products and services provided by BSI. This additional activity increases the number of work opportunities for inmates (which would otherwise require GPR funded programming) and reduces inmate idleness as well as continuing to improve the financial condition of BSI.

#### **RECOMMENDATION:**

Approve the DOC request for a one-time increase in expenditure authority of \$1,791,600 PRS and 3.0 FTE PRS positions in FY98 and a \$181,800 PRS and 3.0 FTE PRS position increase to the base in FY99 for continuing expenditures.

Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



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## State of Wisconsin Department of Corrections

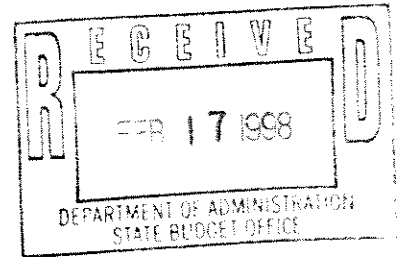
February 13, 1998

### MEMORANDUM

TO: Richard G. Chandler  
State Budget Director  
Department of Administration

FROM: Michael J. Sullivan, Secretary  
Department of Corrections

RE: S. 16.515(1) and s. 16.505 Requests for Appropriation 20.410(1)(km)  
Numeric Appropriation 134, Badger State Industries



### REQUEST

The Department of Corrections requests \$1,791,600 in additional FY 98 expenditure authority for rent, LTEs, inmate wages, and supplies and services, and 3.0 PRO FTE. The Department also requests FY 99 expenditure authority of \$181,800 for rent, permanent salaries, fringe benefits, and 3.0 PRO FTE.

The Department anticipates annual revenues of \$19,800,000 during FY 98 and \$17,310,000 in FY 99.

### REVENUE SOURCES FOR APPROPRIATION

The sources of revenue deposited in appropriation 20.410(1)(km) are receipts from products and services provided to customers of traditional prisons industries.

### BACKGROUND

Traditional prison industries are an enterprise activity operating 13 industries providing employment for approximately 700 inmates at 9 correctional institutions and centers. Prison industries are an integral part of the correctional system providing laundry, textiles, printing, and wood and metal furniture for new and existing correctional institutions. Traditional prison industries also provide similar products and services to other governmental agencies and limited products and services for non-profit agencies.

## ANALYSIS

FTE: The Department requests 3.0 additional FTE to support continued growth at the Oakhill upholstery shop, and the Waupun metal furniture and systems furniture shop.

### *Industries Specialist 1 – Oakhill Upholstery Shop*

This industry employs 2 FTE; 1.0 industry supervisor and 1.0 industries specialist. The industry supervisor is expected to oversee the industry and inmate employees. The specialist is to deliver finished products and assist in supervising inmates.

In its 1997-99 budget request for an additional 1.0 FTE industries specialist, the Department assumed the upholstery shop's revenue had been maximized due to a lack of production space at Oakhill. The request for an additional 1.0 FTE Industries Specialist was tied to completion of a new industry building that is expected to provide sufficient space for business growth. The request was denied by the Legislature when construction of the building was delayed beyond the biennium.

The upholstery shop has introduced additional product lines and increased production, despite the cramped quarters. Current staff work 6 days per week and average approximately 20 hours of overtime per pay period. The shop also plans to create a 2<sup>nd</sup> shift (4:00 p.m. until 8:30 p.m.) in the near future. An additional FTE would provide additional supervision for both the 1<sup>st</sup> and proposed 2<sup>nd</sup> shift inmates. In September of 1996 the specialist spent approximately 50% of the time providing delivery services for the upholstery shop. At this time, the industries specialist is now delivering finished products 90-95% of the time. The Department has also increased its use of common carriers to meet the delivery demand. Inmate staff and hours have increased while the specialist is able to provide very little supervision help.

The Department requests an additional 1.0 FTE Industries Specialist to provide inmate supervision and deliver finished products.

### *Industries Specialist 2 – WCI Systems Furniture Shop & WCI Metal Shop*

In September 1997, the WCI systems and metal furniture shop projected total revenues of \$5,329,200 for FY 98. At this time, the shop is projecting \$8,200,000 in revenues. Inmate employment has increased, the shop is incurring staff and inmate overtime, and the shop has employed at least 1.0 full-time LTE for the last several years to provide supervision and train inmates.

The Department requests 1.0 FTE Industries Specialist 2 to fill this need on a permanent basis.



*CADD Operator Senior – Systems Furniture Design*

Traditional industries employ 1.0 FTE CADD operator along with a full-time LTE. The LTE position has been filled for at least the last two years. The layout and design support functions will continue to increase in direct relationship to the continuing growth of the systems furniture shop. The Department expects hiring an FTE will increase productivity currently lost while training an LTE every 6 months.

The Department requests an additional 1.0 FTE CADD Operator.

Permanent Salary: Traditional prison industries have had several vacancies during the fiscal year, thus they are able to absorb \$13,800 permanent salary costs of the requested 3.0 FTE and an increase in security costs during FY 98. The Department requests increased FY 99 permanent salary expenditure authority of \$84,400 for 3.0 additional FTE.

LTE Salary: The Department has an LTE budget of \$8,100 for traditional industries and expects to incur costs of \$226,300. Traditional prison industries are able to absorb \$78,000 of the need with excess permanent salary and fringe expenditure authority. The Department requests the difference, \$140,200, in FY 98 expenditure authority.

Fringe: Traditional industries are able to absorb FY 98 fringe benefits associated with the 3.0 FTE. The Department requests \$31,300 additional fringe expenditure authority for FY 99 for the 3.0 FTE.

Variable Non-Food: Traditional industries have \$852,400 in expenditure authority for inmate wages and is expected to incur costs of \$864,700. The Department requests FY 98 expenditure authority for the difference of \$12,300.

Rent: Traditional industries have rent expenditure authority of \$179,100 and projects expenditures of \$243,300. The Department has rented some additional space for storage of raw materials and finished products due to the growth in several industries. The Department requests FY 98 expenditure authority of the difference, \$64,200, and a FY 99 expenditure authority increase of \$66,100.

Supplies and Services: Traditional industries have supplies and services expenditure authority, including carryover, of \$11,478,241 and projects expenditures of \$13,053,141. The Department requests the difference, \$1,574,900, in FY 98 expenditure authority for increases in raw materials needed for increases in business in the WCI metal furniture, systems furniture, and sign shops, the Fox Lake wood furniture shop, and the Oakhill upholstery shop.

	<u>FY 98</u>	<u>FY99</u>
Permanent Salary-3 FTE		84,400
Fringe-3 FTE		31,300
Rent	<u>64,200</u>	<u>66,100</u>
On-going Request	\$64,200	\$181,800
	<u>FY 98</u>	
LTE Salary	140,200	
Variable Non-Food	12,300	
Supplies & Services	<u>1,574,900</u>	
One-Time Request	\$1,727,400	
<b>TOTAL REQUEST</b>	<b>\$1,791,600</b>	<b>\$181,800</b>
The Department will not request any additional salary or fringe supplements during FY 98 for the prison industries programs.		
<u>Summary of financial condition of appropriation 20.410(1)(km).</u> The following is a fund condition statement for appropriation 20.410(1)(km) to show the effect of the request on the appropriation as adjusted:		
<b>FY 98 Opening balance</b>		<b>(\$1,225,900)</b>
<i>Creation of Appropriation, Reclassification &amp; Transfer of Debt to 20.410(1)(hm)</i>		<u>1,009,400</u>
Traditional industries Opening Balance		<b>(\$216,500)</b>
<b>Revenue:</b>		
Revenue year-to-date (1/31/98)		\$9,588,500
Revenue projected to June 30, 1998		<u>10,211,500</u>
Total Revenue Projected for FY 98		\$19,800,000
<i>Reduction of revenue for debt services</i>		<u>(111,200)</u>
Traditional industries Revenues		19,688,800
<b>Expenditures:</b>		
Expenditures year-to-date (1/31/98)		\$11,389,800
Projected expenditures to 6/30/98		5,818,600
<b>This 16.515 supplemental recommendation</b>		<b><u>1,791,600</u></b>
Total Expenditures Projected for FY 98		\$19,000,000
<b>Closing Balance</b>		<b>\$472,300</b>

**Expenditure authority:**

Current budget authority	\$15,610,500
FY 97 Carryover	<u>1,597,900</u>
Total Expenditure Authority Available	\$17,208,400
Less:	
Total Expenditures Projected for FY 98	\$19,000,000

**Recommended Expenditure Authority Increase** **\$1,791,600**

**FY 99 Opening balance** **\$472,300**

**Revenue:**

Revenue projected to June 30, 1999	17,310,000
<i>Reduction of revenue for debt services</i>	<u>(18,500)</u>
Traditional industries Revenues	17,291,500

**Expenditures:**

Current authorization	16,500,000
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<b>This 16.515 supplemental recommendation</b>	<b><u>181,800</u></b>
Total Expenditures Projected for FY 98	\$16,681,800

**Closing Balance** **\$1,082,000**

**Expenditure authority:**

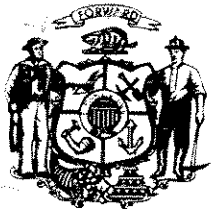
Current budget authority	\$16,500,000
Less:	
Total Expenditures Projected for FY 99	\$16,681,800

**Recommended Expenditure Authority Increase** **\$181,800**

**SUMMARY**

The Department of Correction's requests FY 98 expenditure authority of \$64,200 for rent, and one-time expenditure authority of \$1,727,400, and 3.0 FTE. The Department also requests FY 99 expenditure authority of \$84,400 permanent salary, \$31,300 fringe benefits, and \$66,100 rent, and 3.0 FTE.

cc: Ave Bie, Sec. Off.	Mike Rogowski, Sec. Off.	Bill Clausius, Sec. Off.
Dick Verhagen, DAI	Cindy Schoenike, DAI	Marsha Rathje, DAI
Steve Kronzer, BCE	Roger Fetterly, DOA	Mary Cassady, BoB
Mary Rondou, BCE	Cathy Halpin, BoB	Dan Steeger, Fiscal



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

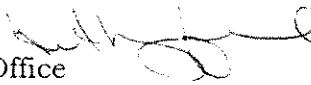
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TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY



**Date:** March 3, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** Anthony Fiore   
State Budget Office

**Subject:** Request under s. 16.515 from the Department of Corrections for increase spending authority for s. 20.410(3)(ho) numeric appropriation 324, Juvenile Residential Aftercare

**REQUEST:**

Under the provisions of s. 16.515 the Department of Corrections requests a permanent increase in the expenditure authority in s. 20.410(3)(ho), appropriation 324 of \$2,461,500 in FY 98 and \$4,084,300 in FY 99 to pay for additional aftercare costs due to increases in alternate care placements.

**REVENUE SOURCES FOR APPROPRIATION:**

The revenue to support this request will be paid by counties through the Community Youth and Family Aids (Youth Aids) appropriation. Increased revenues can be anticipated to cover the increased expenditure authority due to higher than anticipated average daily populations in alternate care programs.

**BACKGROUND:**

Dispositional orders cover the entire time a juvenile is under supervision, including the time spent in a secured correctional facility and a period of time following the juvenile's return to the community. Youth adjudicated delinquent are generally released from the secured facility with time remaining on their dispositional orders so that they may be placed on "aftercare supervision".

Following release from a secured correctional facility, a juvenile is usually returned to his or her family under aftercare supervision or to an alternate care facility such as a child caring institution, group home or foster home. Aftercare supervision is provided to monitor juveniles following their release from secure care to ensure school attendance, participation in treatment programs and compliance with other conditions of the juvenile's release. Counties may provide their own aftercare supervision or purchase these services from the state. In 1995, the state was the designated aftercare provider for 26 counties.

A placement review, based on 1995 data, by the Office of Juvenile Offender Review indicates that approximately 88% of all youth released from the institutions prior to the end of their disposition order were placed on aftercare supervision. Approximately

49% of those under aftercare supervision were returned to the home of one or more parent or the home of a relative; about 39% of the released juveniles were placed in alternate care facilities.

**ANALYSIS:**

The FY 98 and FY 99 alternate care expenditure authority was based on population projections conducted in 1997. During the 1997-99 budget process, under the Governor's proposed budget, the average daily population (ADP) for alternate care was estimated at 127 in FY 98 and 136 in FY 99. However, during budget deliberations the budgeted ADP for alternate care was adjusted to 108 annually by the Legislature.

Based on monthly ADPs for alternate care provided by DOC, the actual ADP has consistently remained higher than the budgeted ADP. In July 1997 the ADP for juveniles in alternate care facilities was 135.8 and as of November 1997 the ADP was 150.7. Although aftercare populations have experienced a decline similar to the JCI populations, the alternate care placements within aftercare have exceeded budgeted levels and now represent a greater proportion of all aftercare placements.

Due to alternate care placement costs being significantly more than general aftercare costs, and higher than budgeted ADPs for alternate care, the alternate program will incur greater costs than expected and will exhaust their expenditure authority for alternate care in late March or early April of this year. DOC estimates the increase in costs will be offset by an increase in revenue due to the increased ADP and sufficient revenues will exist to support the requested expenditure authority.

The spending authority for this appropriation should be increased as requested. However, due to the fluctuating populations in all of juvenile corrections, this increase should be approved on a one-time basis and the spending authority can be reevaluated as part of the next budget.

**RECOMMENDATION:**

Approve the request to increase, on a one-time basis, the expenditure authority in s. 20.410(3)(ho), appropriation 324 by \$2,461,500 in FY 98 and \$4,084,300 in FY 99 to pay for additional aftercare costs due to increases in alternate care placements.

Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



State of Wisconsin  
Department of Corrections

Cindy Archer, DEA

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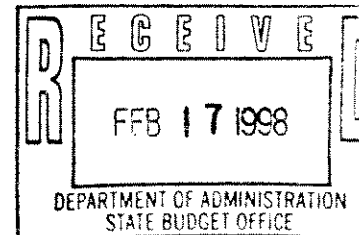
February 10, 1998

MEMORANDUM

TO: Richard G. Chandler, State Budget Director  
Department of Administration

FROM: Michael J. Sullivan, Secretary  
Department of Corrections

RE: S.16.515(1) Request for Appropriation 20.410(3)(ho)  
Numeric Appropriation 324, Juvenile Residential Aftercare



The Department of Corrections requests a permanent increase in the expenditure authority in S20.410(3)(ho), appropriation 324 of \$2,461,500 in FY 98 and \$4,084,300 in FY 99 to pay for additional aftercare costs due to increases in alternate care population.

Background

Appropriation 20.410(3)(ho) contains numeric appropriation 324. A summary of appropriation 324 is attached.

20.410(3)(ho) 1997 Wisconsin Act 27 provided expenditure authority to Juvenile Corrections, appropriation 324 in the amount of \$5,279,600 in FY 98 and \$5,355,700 in FY99. Actual expenditures for the period July through November, 1997 were \$3,070,400. Revenue from this appropriation is obtained through state and county funds.

Additional Operations Needs

The Department requests a permanent increase in the expenditure authority in S20.410(3)(ho), appropriation 324 of \$2,461,500 in FY 98 and \$4,084,300 in FY 99 to pay for additional aftercare costs due to increases in the alternate care population.

FY98 and FY99 expenditure authority was based on population projections conducted in 1997. During the 1997-99 budget process, the Legislative Fiscal

Bureau calculated the alternate care population as 109 Average Daily Population (ADP) in FY98 and 108 ADP in FY99. These were the figures used to determine the expenditure authority that would be needed for Juvenile Residential Aftercare during FY98 and FY99. During the budget process, the alternate care ADP was calculated as 12.49% of the total Juvenile Correctional Institution (JCI) ADP less the Serious Juvenile Offender (SJO) ADP. As can be seen in Attachment A, actual figures for FY97 and the first five months of FY98 show that alternate care ADP averaged 16.15% of the total population.

Alternate care is used to pay for various facilities which house juveniles including: regular foster care (FC), group homes (GH), child caring institutions (CCI), treatment - foster care (T-FC), and special care facilities (SPEC). Through the first five months of FY98, the ADP for alternate care has been averaging 149 (see Attachment B) and we anticipate this trend will continue. The major difference between budgeted population and actual population is in the usage of Child Caring Institutions (CCIs). CCIs are the most expensive form of alternate care which has also attributed to the need for increased expenditure authority.

The additional population in the alternate care program will create a shortfall in DOC's expenditure authority at the end of March. We anticipate that we will need an additional \$2,461,500 in FY 98 and \$4,084,300 in FY 99 to cover this shortfall. We anticipate total revenue will be \$7,819,200 in FY 98 and \$9,535,400 in FY99.

Approval of this request would allow a total expenditure authority of \$7,741,100 appropriation 324 during FY 98 and \$9,440,000 in FY99.

cc: Ave M. Bie, DOC  
Michael Rogowski, DOC  
Eurial Jordan, DOC  
Mary Cassady, DOC  
Cindy Archer, DOA

Department of Corrections  
Appropriation 20.410(3)(ho)  
Summary – Appropriation 324, Juvenile Residential Aftercare

	FY98	FY99
<u>Opening Cash Balance</u>	\$ 445,613	\$ 523,761
<u>Plus Revenue</u>		
Revenue YTD	\$ 3,110,856	\$ 0
Additional Revenue Projections to 6/30	<u>4,708,392</u>	<u>9,535,392</u>
Total Revenue	\$ 7,819,248	\$ 9,535,392
<u>Less Expenditures</u>		
Expenditures YTD	\$ 3,070,400	\$ 0
Projected Expenditures	2,209,200	5,355,700
Expenditures this 16.515 Request	<u>2,461,500</u>	<u>4,084,300</u>
Total Expenditures	\$ 7,741,100	\$ 9,440,000
<u>Year End Cash Balance Projections</u>	\$ 523,761	\$ 619,153

Expenditure Authority

Chapter 20	\$ 5,279,600	\$ 5,355,700
Prior Year Encumbrances	0	0
Re-estimates of Revenue & Expenditures YTD	<u>0</u>	<u>0</u>
Total Current Expenditure Authority	\$ 5,279,600	\$ 5,355,700
Additional Expenditure Authority Requested	\$ 2,461,500	\$ 4,084,300
New Proposed Expenditure Authority	\$ 7,741,100	\$ 9,440,000



COMPARISON OF BUDGETED ADP VERSUS ACTUAL ADP  
(BY % OF JUVENILE POPULATION)

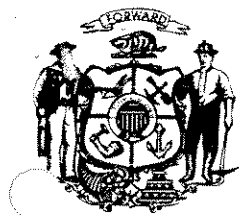
BUDGETED % OF TOTAL:

12.49%

ACTUAL % OF TOTALS:		JCI ADP	less:	SJO ADP	TOTAL	ALT CARE ADP	ALT CARE AS % OF TOTAL
JULY	96	977.0		0.2	976.8	135.50	13.87%
AUGUST	96	935.6		1.5	934.1	159.80	17.11%
SEPTEMBER	96	917.7		-1.4	919.1	151.70	16.51%
OCTOBER	96	916.6		6.4	910.2	138.10	15.17%
NOVEMBER	96	913.6		4.3	909.3	131.80	14.49%
DECEMBER	96	913.4		11.9	901.5	128.70	14.28%
JANUARY	97	902.1		16.3	885.8	143.40	16.19%
FEBRUARY	97	898.9		21.6	877.3	135.40	15.43%
MARCH	97	909.8		26.9	882.9	126.00	14.27%
APRIL	97	900.6		30.7	869.9	138.90	15.97%
MAY	97	896.5		32.0	864.5	131.00	15.15%
JUNE	97	891.3		35.8	855.5	137.00	16.01%
JULY	97	870.7		38.3	832.4	135.80	16.31%
AUGUST	97	865.1		44.3	820.8	144.40	17.59%
SEPTEMBER	97	875.1		57.1	818.0	169.40	20.71%
OCTOBER	97	890.8		61.3	829.5	143.00	17.24%
NOVEMBER	97	889.1		62.8	826.3	150.70	18.24%
AVERAGE:							16.15%

COMPARISON OF BUDGETED ADP VERSUS ACTUAL ADP  
(BY ACTUAL ADP IN EACH FACILITY TYPE)

BUDGETED ADP - FY98 (as computed by LFB)		FC	GH	CCI	SPEC	T-FC	TOTALS
		7.00	40.00	61.00	0.00	1.00	109.00
ACTUAL ADP - FY97:							
JULY	96	8.10	43.80	76.40	6.20	1.00	135.50
AUGUST	96	7.30	49.70	94.10	6.50	2.20	159.80
SEPTEMBER	96	5.60	55.00	76.60	14.50	0.00	151.70
OCTOBER	96	3.40	51.10	74.80	7.20	1.60	138.10
NOVEMBER	96	2.70	48.70	72.10	7.30	1.00	131.80
DECEMBER	96	4.80	44.20	70.20	8.50	1.00	128.70
JANUARY	97	4.90	48.40	72.20	16.90	1.00	143.40
FEBRUARY	97	4.10	40.30	79.10	9.90	2.00	135.40
MARCH	97	2.90	43.60	80.40	-2.90	2.00	126.00
APRIL	97	4.00	46.40	84.00	3.50	1.00	138.90
MAY	97	2.00	40.40	79.10	7.30	2.20	131.00
JUNE	97	2.80	42.50	83.30	6.40	2.00	137.00
FY97 AVERAGE:		4	46	79	8	1	138
ACTUAL ADP - FY98 (to date):							
JULY	97	2.00	43.80	84.10	3.90	2.00	135.80
AUGUST	97	1.40	50.00	87.30	3.50	2.20	144.40
SEPTEMBER	97	1.00	68.70	91.40	3.20	5.10	169.40
OCTOBER	97	2.70	42.70	89.80	4.80	3.00	143.00
NOVEMBER	97	2.80	42.80	96.40	4.90	3.80	150.70
5 MONTH AVERAGE:		2	50	90	4	3	149



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



**Date:** March 3, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** Scott Aker *SA*  
Budget Analyst

**Subject:** Request Under s. 16.515 from the Department of Justice relating to  
County-Tribal Law Enforcement Grants.

**REQUEST:**

The Department of Justice (DOJ) requests an increase of \$101,200 PR expenditure authority in FY98 and FY99 under appropriation s. 20.455(2)(hn), *County-Tribal Programs, Local Assistance*, to increase existing grants and fund two new grants for law enforcement activities on Native American reservations. The request for FY99 is base-building.

**REVENUE SOURCES FOR APPROPRIATION(S):**

Appropriation s. 20.455(2)(hn), *County-Tribal Programs, Local Assistance*, receives revenue transfers from appropriation s. 20.455(2)(hm), *County-Tribal Programs, Surcharge Receipts*. Approximately 4.5 percent of penalty assessment surcharge revenue is earmarked for deposit in appropriation s. 20.455(2)(hm), *County-Tribal Programs, Surcharge Receipts*.

Current annual funding for county-tribal law enforcement programs is \$60,000 GPR and \$547,200 PR – a total of \$607,200 (all funds).

**BACKGROUND:**

The County-Tribal Law Enforcement Program under s. 165.90 authorizes DOJ to award grants to counties that have one or more federally recognized Native American reservation within or partially within their boundaries. To be eligible for funding, counties and tribes jointly must develop a cooperative county-tribal law enforcement program. In determining whether to approve and fund a program, DOJ must consider the population of the reservation to be served, the complexity of law enforcement problems the program proposes to address and the range of services the program proposes to provide. Services funded under the state grant program range from basic patrol services and community policing to training and maintaining a joint county-tribal water rescue team.

In calendar year 1998, DOJ plans to award \$708,300 in county-tribal law enforcement grants to 16 counties and all 11 Wisconsin tribes. DOJ gives calendar year awards according to its fiscal year expenditure authority. Because CY98 grant

requests far exceed DOJ's FY98 expenditure authority, DOJ requests additional expenditure authority in order to use available revenues to fund increases and additional requests.

**PROGRAM AND REVENUE ANALYSIS:**

For CY98, DOJ received grant requests from 16 counties and 11 tribes totaling \$1,322,300. As of February 13, 1998, DOJ has processed awards totaling \$567,343 (\$507,343 PR and \$60,000 GPR). Table 1 illustrates the CY98 request amount, DOJ's planned distribution of grants and comparisons with CY97 grants.

Table 1: County-Tribal Grants (CY97 and CY98)

<u>County</u>	<u>Community</u>	<u>CY98 Request</u>	<u>CY98 Grant</u>	<u>CY97 Grant</u>	<u>CY98 Increase Over CY97</u>
Ashland	Bad River	56,600	56,600	55,000	1,600
Bayfield	Red Cliff *	116,152	82,000	82,000	-
Brown	Oneida **	61,474	30,000	-	30,000
Burnett	St. Croix	28,000	28,000	28,000	-
Forest	Potawatomi	170,500	32,000	32,000	-
Forest	Mole Lake	183,000	26,000	26,000	-
Jackson	Ho Chunk ***	227,657	29,000	29,000	-
Juneau	Ho Chunk	51,262	30,000	30,000	-
Menominee	Menominee	20,000	20,000	20,000	-
Monroe	Ho Chunk	20,000	20,000	14,493	5,507
Outagamie	Oneida	36,498	30,000	-	30,000
Polk	St. Croix	22,000	20,000	19,066	934
Sauk	Ho Chunk	28,000	26,500	26,500	-
Sawyer	Lac Court Oreilles	87,243	87,243	74,842	12,401
Shawano	Stockbridge	74,000	74,000	70,299	3,701
Vilas	Lac du Flambeau	119,914	97,000	80,000	17,000
Wood	Ho Chunk	20,000	20,000	20,000	-
<b>TOTAL</b>		<b>\$ 1,322,300</b>	<b>\$ 708,343</b>	<b>\$ 607,200</b>	<b>\$ 101,143</b>

\* Approved by DOJ; increased expenditure authority needed to issue a check.

\*\* Approved by the tribe and county board; final documentation anticipated by DOJ in 2 weeks.

\*\*\* Awaits both tribal and county board approval.

Source: DOJ

If this request is approved, \$101,200 PR would be used for the following three grants:

1. Bayfield/Redcliff: \$42,143 needed to issue a check.
  2. Brown/Oneida: \$30,000 to fulfill DOJ's recommendation.
  3. Jackson/Ho Chunk: \$29,000 to fulfill DOJ's recommendation.
- \$101,143 Total expenditure authority needed.

This request would bring total annual funding for county-tribal law enforcement programs to \$708,400 (all funds). DOJ requests \$101,200 PR for both fiscal years because it anticipates making the same awards in both years. Also, DOJ anticipates these grant levels to continue into the 1999-2001 biennium.

Table 2 illustrates estimated FY98 and FY99 revenues and expenditures for the county-tribal law enforcement program. DOJ estimates FY98 revenue to be \$693,000, a 13.5 percent increase over FY97 actual revenue. Thus far in FY98, penalty assessment surcharge revenues are approximately ten percent more than collections through the same point in FY97. Given the fluctuations which have occurred in this funding source, a more conservative revenue estimate is appropriate for this analysis. The revenue projections in Table 2 assume: 1) for the remainder of FY98, five percent growth over FY97 actual revenue; and 2) five percent total growth for FY99.

Table 2: Revenues/Expenditures	FY98	FY99
Carryover	53,600	16,300
Projected PR Revenue	659,100	692,100
Total Revenue Available	712,700	708,400
Projected Expenditures*	(696,400)	(696,400)
<b>Remaining Balance</b>	<b>\$16,300</b>	<b>\$12,000</b>

\*PR Expenditures: \$648,400 (grants) + \$48,000 (administration) = \$696,400. This projection assumes this request is approved. Sources: WiSMART, DOJ

The combination of carryover revenue and projected revenue would provide sufficient resources to cover this request and leave a small balance at the end of FY99. While this analysis suggests there will be sufficient revenue to fund additional grants for this biennium, fluctuations in penalty assessment revenue raise concerns for future biennia. The 1999-2001 budget process would be a more appropriate forum to consider permanent expenditure authority increases. At that point, more revenue history from the 1997-99 biennium will be available to make more accurate revenue estimates.

Finally, at the time DOJ submitted its request, officials suggested placing \$59,000 of the requested increase in unallotted reserve pending submission of final documentation for the Brown/Oneida and Jackson/Ho Chunk plans. This approach was used in a 1992 request under similar circumstances. This is a reasonable approach to take, and revenues are available to support this request.

#### **RECOMMENDATION:**

Approve increased expenditure authority of \$101,200 PR in FY98 and \$101,200 PR in FY99 in appropriation s. 20.455(2)(hm), *County-Tribal Programs, Surcharge Receipts*. Approval should be for one-time only; any proposed base budget changes should be considered during the 1999-2001 budget process.

Place \$59,000 PR in unallotted reserve in FY98 and \$59,000 PR in unallotted reserve in FY99. These amounts can be released through the DOA allotment process upon submission of final documentation for the Brown/Oneida and Jackson/Ho Chunk plans.



STATE OF WISCONSIN  
DEPARTMENT OF JUSTICE

JAMES E. DOYLE  
ATTORNEY GENERAL  
  
Burneatta L. Bridge  
Deputy Attorney General

123 West Washington Avenue  
P.O. Box 7857  
Madison, WI 53707-7857

February 11, 1998

Richard G. Chandler  
State Budget Director  
Division of Executive Budget and Planning  
10<sup>th</sup> Floor—Administration Building  
P.O. Box 7864  
Madison, WI 53707-7864

Dear Mr. Chandler:

Under sec. 16.515, stats., the Department of Justice requests increases in the appropriation under sec. 20.455(2)(hn), *County-Tribal Programs, Local Assistance*. Increases of \$101,200 PR are requested for FY 98 and FY 99. If approved, we will be able to award more moneys for law enforcement purposes authorized under sec. 165.90, stats. This is a slightly revised version of the request that we submitted to Secretary Bugher on January 7, 1998, that was returned without approval by your office on February 4, 1998.

BACKGROUND

Section 165.90 authorizes counties and tribes to establish cooperative law enforcement programs. Funding is available for law enforcement purposes from two sources--\$60,000 GPR is appropriated under sec. 20.455(2)(d), and \$547,200 PR is appropriated under sec. 20.455(2)(hn). To be eligible for funding a county and tribe must submit to the Department a joint program plan, providing information specified in sec. 165.90(2). Examples of required items include a description of the program, the amount of funding needed, and the name of the person supervising the program. In determining whether to approve a plan, and at what level of funding, the Department must consider the reservation population to be served, the complexity of law enforcement problems involved, and the range of services to be provided.

ANALYSIS

County-tribal law enforcement programs under sec. 165.90, stats., operate on a calendar year basis. For calendar year 1998 the Department plans to issue 17 awards totaling \$708,343. All 11 of the tribes in Wisconsin are involved, along with 16 different counties. (Forest County has separate plans with the Mole Lake and Potawatomi tribes.) The proposed spending level represents a 17 percent increase over CY 97 awards. County/tribal programs requested nearly \$1.3 million for CY 98 plans.

There are three primary reasons for a higher award level. First, the Oneida tribe would receive funding for the first time--\$30,000 in each of two separate awards for cooperative programs with Brown and Outagamie Counties. Second, \$6,441 is needed to bring two programs (Monroe/Ho Chunk and Polk/St. Croix) up to the minimum \$20,000 funding level which we believe appropriate. Third, \$34,702 is needed to increase four awards (Ashland/Bad River, Sawyer/Lac Courte Oreilles, Shawano/Stockbridge and Vilas/Lac du Flambeau), to pay for important enhancements to law enforcement in these areas. Award levels for CY 97 and CY 98 are shown on the attached spreadsheet.

Section 165.90(2) requires joint program plans to be submitted by December 1 "of the year prior to the year for which funding is sought." For plans that the Department has approved, sec. 165.90(4), stats., requires awards to be made prior to January 15 of the program year. Of the 17 plans submitted to the Department for CY 98 programs, 13 had been approved and \$535,343 awarded by January 15, 1998. In addition, documentation needed to approve the Forest/Potawatomi plan was received on January 15 and a check in the amount of \$32,000 has been issued. Consequently, of the \$607,200 appropriated for CY 98 programs, \$567,343 had been paid by January 31, 1998, leaving a balance of \$39,857.

On January 23, 1998 we received the documentation needed to approve the Bayfield/Red Cliff plan. However, because their plan calls for \$82,000, and only \$39,857 is available, we need an additional \$42,143 to process their payment. The Brown/Oneida plan still needs final county board approval, and the Jackson/Ho Chunk plan is awaiting final tribal approval. When final approvals are submitted to us, we will need \$30,000 for the Brown/Oneida plan and \$29,000 for Jackson/Ho Chunk. A total of \$101,143 is needed for these three plans. It is worth noting that Bayfield/Red Cliff was one of the original participants in this program, and Jackson/Ho Chunk has been funded for a number of years.

In response to the original request we submitted on January 7, 1998 your office expressed concerns about approving an increase in spending authority where four of the plans which would receive funding had yet to be approved at the local level. (As noted in the previous paragraph, only two plans now await final local approval, and payment cannot be made in a third case due to insufficient spending authority.) To address this concern, we recommend that our request for \$101,200 in additional PR spending authority be approved, with \$59,000 of this amount held in unallotted reserve for release as each of the two plans in question submit the final documentation needed to complete their applications. In this way, spending authority would be provided to allow us to pay the full amount recommended for Bayfield/Red Cliff. Also, spending authority would be available for the remaining two plans, without the need for additional requests under sec. 16.515, stats., yet this fiscal year. The use of unallotted reserve in this way was applied to a 1992 request for additional spending authority in this same appropriation, in essentially the same circumstances. If it should happen that the Brown/Oneida or Jackson/Ho Chunk plans cannot be approved for CY 98, then amounts authorized to be

spent under this request would simply remain as revenues available to fund future programs.

In order to sustain these award levels in the future, we request that both FY 98 and FY 99 spending authority for the appropriation under sec. 20.455(2)(hn) be increased by \$101,200. While we may have reason to modify specific awards in the future, it seems prudent to establish the higher level of spending authority on an ongoing basis, given the needs for enhanced law enforcement services which counties and tribes have demonstrated.

#### REVENUE SOURCES

Revenue deposited in the appropriation under sec. 20.455(2)(hn), *County-Tribal Programs, Local Assistance*, comes from the penalty assessment surcharge on court fines and forfeitures. Section 165.87(1)(bp) provides that one twenty-second of all moneys collected from penalty assessments is to be used for county-tribal grants, and for state administration of the program.

Based on recent experience, we anticipate that this appropriation will have more than enough revenues to cover program costs. FY 98 began with a balance of \$53,624, and we estimate additional revenues at \$693,000 this fiscal year, for a total of \$746,624. If this request is approved, then the FY 98 appropriation would be \$696,400--\$648,400 for awards and \$48,000 for state administration. If this entire amount is spent, then FY 99 would begin with a balance of \$50,224. Assuming that FY 99 revenues accrue at the projected FY 98 level, which is a conservative assumption, then our request for \$101,200 in additional spending authority in **each** fiscal year can be accommodated, without depleting the balance with which we began this biennium.

#### SUMMARY

If this request is approved, additional moneys will be awarded for cooperative county and tribal law enforcement programs in FY 98 and FY 99. New plans would be funded, and previously approved plans would receive increases. Reasonable revenue estimates show that an additional \$101,200 PR can be appropriated in each year of this biennium without depleting the balance which existed as of June 30, 1997. The need has been demonstrated and the revenues are available for these important law enforcement purposes.

Please forward this request to the Joint Committee on Finance at the earliest possible time. Thank you.

Sincerely,



Andrew Cohn  
Executive Assistant



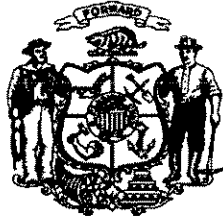
COUNTY	COMMUNITY	1997 GRANT	1998 GRANT
Ashland	Bad River	55,000.00	56,600.00
Bayfield	Red Cliff	82,000.00	82,000.00
Brown	Oneida	0.00	30,000.00
Burnett	St. Croix	28,000.00	28,000.00
Forest	Potawatomi	32,000.00	32,000.00
Forest	Mole Lake	26,000.00	26,000.00
Jackson	Ho Chunk	29,000.00	29,000.00
Juneau	Ho Chunk	30,000.00	30,000.00
Menominee	Menominee	20,000.00	20,000.00
Monroe	Ho Chunk	14,492.72	20,000.00
Outagamie	Oneida	0.00	30,000.00
Polk	St. Croix	19,066.28	20,000.00
Sauk	Ho Chunk	26,500.00	26,500.00
Sawyer	LCO	74,842.00	87,243.00
Shawano	Stockbridge	70,299.00	74,000.00
Vilas	LDF	80,000.00	97,000.00
Wood	Ho Chunk	20,000.00	20,000.00
		607,200.00	<b>708,343.00</b>

revised 1/6/98

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

119 MLK, Room 202  
P.O. Box 7882  
Madison, WI 53707-7882  
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ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

March 20, 1998

Secretary Cate Zeuske  
Department of Revenue  
125 South Webster Street  
Madison, Wisconsin 53708

Dear Secretary Zeuske:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed the Department of Revenue lottery prize payout report submitted on March 2, 1998, pursuant to s. 565.02(7), Stats.

No objections or concerns have been raised about the report. Therefore, the report is approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Burke".

BRIAN BURKE  
Senate Chair

A handwritten signature in black ink, appearing to read "John H. Gard".

JOHN GARD  
Assembly Chair

BB/JG/jc



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 11, 1998

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Department of Revenue's Annual Lottery Prize Payout Report

Under s. 565.02(7), the Department of Revenue (DOR) is required to submit a lottery prize payout report to the Joint Committee on Finance, not later than March 1 of each year, that includes: (a) an estimate for that fiscal year and for the subsequent fiscal year of the gross revenues from the sale of lottery tickets; (b) the total amount paid as prizes and the prize payout ratio for each type of lottery game offered; and (c) an evaluation of the effect of prize payout ratios of lottery games on lottery sales, lottery operating costs and on maximizing the revenue available for the lottery property tax credit.

The report is subject to a 14-day passive review by the Committee. If, within 14 working days after the date on which the Committee receives the report, the Co-chairpersons notify DOR that the Committee has scheduled a meeting for the purpose of reviewing the Department's proposed prize payouts, DOR may proceed with its plans for the prize payouts for the subsequent fiscal year only with Committee approval. If the Co-chairpersons do not notify the Department within 14 working days that the Committee has scheduled a meeting to review the Department's proposed prize payouts, the Department's plans for the prize payouts for the subsequent fiscal year are considered approved by the Committee.

The 1998 report was submitted to the Committee Co-chairpersons on March 2, 1998. No modifications of current lottery prize payout ratios are proposed in the report. Further, the information contained in the report conforms to the requirements of s. 565.02(7). As a result, it does not appear that the Committee needs to meet in order to approve the report.

It should be noted, however, that the Department's lottery sales estimates for 1997-98 and 1998-99 are significantly reduced from previous estimates made under the 1997-99 biennial

budget act (Act 27) and reestimated in October, 1997. The following table shows October, 1997 lottery sales estimates compared to the new DOR estimates contained in the report submitted on March 2, 1998.

**Comparisons of Lottery Sales Estimates**  
(Millions)

<u>Game Type</u>	<u>1997-98</u>			<u>1998-99</u>		
	<u>October</u> <u>1997</u>	<u>March</u> <u>1998</u>	<u>Percent</u> <u>Change</u>	<u>October</u> <u>1997</u>	<u>March</u> <u>1998</u>	<u>Percent</u> <u>Change</u>
Scratch	\$274.0	\$252.1	-8.0%	\$302.7	\$260.9	-13.8%
Pull-Tab	7.9	6.8	-13.9	7.5	7.0	-6.7
On-Line	<u>165.0</u>	<u>148.8</u>	<u>-9.8</u>	<u>176.8</u>	<u>154.1</u>	<u>-12.8</u>
Total	\$446.9	\$407.7	-8.8%	\$487.0	\$422.0	-13.3%

The October estimate of 1997-98 lottery sales was a revised projection used to certify the amount available for the 1997(98) lottery property tax credit. The October estimate of 1998-99 lottery sales is the budgeted amount under Act 27. This 1998-99 sales projection will be officially reestimated in October, 1998, for the purpose of certifying the amount available for the 1998(99) lottery property tax credit.

At this point in the fiscal year, the revised DOR sales estimate for 1997-98 (\$407.7 million) appears to be a reasonable projection. The estimate of 1997-98 sales made in October, 1997, (\$446.9 million) assumed that weekly lottery sales would begin to rebound by the middle of the fiscal year. Such a rebound, however, has not occurred and, if weekly sales totals remain steady for the balance of the year, 1997-98 lottery sales would total approximately \$400.0 million. According to the DOR prize payout report, the current sales performance is attributable to: (a) a rebuilding of the lottery's operational infrastructure, which is still in process; (b) the maturity of the lottery industry, which requires more innovative approaches to attract players; and (c) competition with other gaming venues, particularly casino gambling.

BL/AZ/lah/dls